

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF SOUTH CAROLINA**

IN RE:)	CHAPTER 11
)	
Stacy's, Inc.,)	Case No. 13-03600-dd
)	
Debtor.)	

REPORT OF SALE

DATE OF SALE: August 30, 2013

TYPE OF SALE: Public

DEBTOR PROPERTY
SOLD: Equipment, inventory, vehicles, intellectual property, certain contract rights, transferable permits, receivables, software, books and records, goodwill, and any unlisted assets not specifically excluded in the Asset Purchase Agreement

NON-DEBTOR
PROPERTY SOLD: Real property in York County, South Carolina owned by the Louis O. Stacy, Jr. Revocable Trust (the "Trust")

Vehicles owned by the Debtor's wholly owned subsidiary, Stacy's Service Company, LLC ("SSC")

PURCHASER: MG Acquisition, Inc. ("MG")

PRICE: \$15,827,006 (includes working capital of \$585,006)

SALES BROKER: SSG Capital, LLC ("SSG")

COMMISSION: \$350,000 (commission not based on percentage of sales proceeds) payable to SSG.

EXPENSES OF SALE: Pursuant to the Consent Order entered on August 21, 2013 (Docket # 156), the sales commission to SSG, the post-petition trade payables, the Debtor's closing expenses, the deed recording fees and the prorated real property taxes are all to be paid from the sales proceeds (Paragraph 64(c) of the Order).

DEBTOR'S EXEMPTION: None

LIENS ATTACHING
TO PROCEEDS:

As of the date of the sale, Bank of the West ("BOTW") had a lien on the majority of the assets in the amount of \$22,580,896.87.

Certain vehicles owned by the Debtor were not subject to BOTW's lien and accounted for \$102,553.86 of the sales proceeds.

Certain vehicles owned by SSC, accounting for \$67,588.26 of the sales proceeds, were unencumbered by direct liens. BOTW claims a lien on the proceeds generated from the sale of these vehicles by virtue of its lien on the Debtor's general intangibles.

ALLOCATION OF
PURCHASE PRICE:

\$14,103,146 allocated to Debtor's and SSC's assets

\$1,683,900 allocated to the assets sold by the Trust

AMOUNT PAID TO
BOTW:

BOTW received the following payments from the sales proceeds:

\$11,190,800 from the Debtor at closing

\$1,645,708 from the Trust at closing

\$585,006 directly from MG on October 3, 2013 when the working capital adjustment was determined

\$430,000 from the Debtor in January 2014 pursuant to an agreement between the Debtor and BOTW approved by the Court on December 18, 2013

OTHER PROCEEDS:

\$950,000 retained to pay certain administrative claims (partially paid)

\$450,000 retained for distribution to the general unsecured creditors (to be paid)

\$17,300 retained for prorated property taxes for Pendleton (to be paid)

\$350,000 retained to pay SSG commission (already paid)

\$102,553.86 attributable to unencumbered vehicles owned by the Debtor retained by the bankruptcy estate

\$67,588.26 attributable to unencumbered vehicles owned by SSC

BARTON LAW FIRM, P.A.

April 4, 2014

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